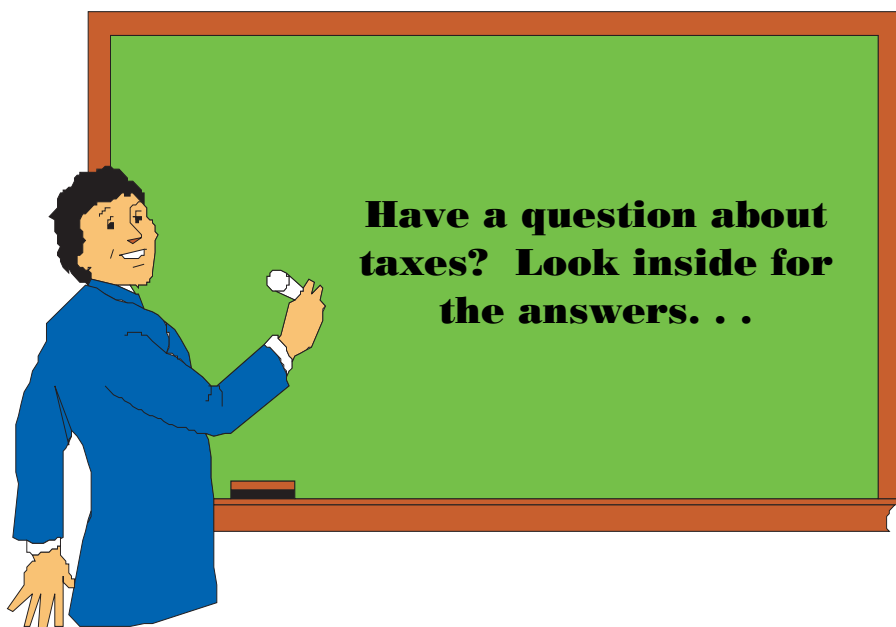


# **2005 Missouri Income Tax Reference Guide**



# 2005 Missouri Income Tax Reference Guide



## Missouri Department of Revenue

---

### Tax Assistance Centers Area Offices

**KANSAS CITY**

615 East 13th St.  
Room B-2  
(816) 889-2920  
FAX (816) 889-2876

**JOPLIN**

1110 E. 7th St.  
Suite 400  
(417) 629-3070  
FAX (417) 629-3076

**JEFFERSON CITY**

3237 W. Truman Blvd.  
Suite 100  
(573) 751-7191  
FAX (573) 522-3316

**ST. JOSEPH**

525 Jules, Suite 300  
Room 314  
(816) 387-2230  
FAX (816) 387-2008

**ST. LOUIS**

3256 Laclede Station Rd.  
Suite 101  
(314) 877-0177  
FAX (314) 877-0198

**CAPE GIRARDEAU**

3102 Blattner Dr.  
Suite 102  
(573) 290-5850  
FAX (573) 290-5842

**SPRINGFIELD**

149 Park Central Sq.  
Room 313  
(417) 895-6474  
FAX (417) 895-6233

**OTHER IMPORTANT NUMBERS**

Forms Ordering (800) 877-6881  
(10 Forms or less)  
Forms Order Questions (573) 751-5337  
Refund Information (573) 751-3505  
Forms-by-Fax (573) 751-4800  
Internet Address: [www.dor.mo.gov/tax](http://www.dor.mo.gov/tax)

**COLUMBIA**

1500 Vandiver  
Room 113  
(573) 884-3814  
FAX (573) 884-3844



## 2005 REFERENCE GUIDE INDEX

MINIMUM FILING REQUIREMENTS .....	1
SELECTING THE CORRECT RETURN .....	2
MISSOURI ADJUSTED GROSS INCOME .....	4
PENSIONS .....	5
FEDERAL, STATE, AND PRIVATE PENSIONS	
QUALIFYING EXEMPTIONS .....	6
PERSONAL EXEMPTION AMOUNTS .....	7
STANDARD DEDUCTION TABLE .....	8
ITEMIZED DEDUCTIONS AND OTHER DEDUCTIONS .....	9
RESIDENT AND NONRESIDENT INFORMATION .....	10
MILITARY INFORMATION .....	11
ESTIMATED TAXES .....	13
MISSOURI TAXABLE STATUS OF VARIOUS INCOME ITEMS .....	14
MISCELLANEOUS TAX CREDITS .....	15
PROPERTY TAX CREDIT CLAIM .....	17
INFORMATION RETURNS .....	19
GENERAL INFORMATION .....	20
COMMON MISTAKES ON MISSOURI INDIVIDUAL	
INCOME TAX RETURNS .....	22
FINAL CHECKLIST IN COMPLETING MISSOURI	
INCOME TAX RETURNS .....	23

# MINIMUM FILING REQUIREMENTS

The following information is to be used as a quick reference for determining the minimum income level that, when reached, would require a taxpayer to file both Federal and Missouri Income Tax returns. The difference between federal and state requirement is the personal exemption amount. Section 143.481, RSMo, states the filing requirements of a Missouri resident and nonresident, which includes in it the requirement to file a federal income tax return.

<u><b>Marital Status</b></u>	<u><b>Federal AGI</b></u>	<u><b>Missouri AGI</b></u>
Single	\$ 8,200	\$ 7,100
Single (Over 65)	9,450	8,350
Married Filing Jointly	16,400	14,200
Married Filing Jointly (1 over 65)	17,400	15,200
Married Filing Jointly (Both over 65)	18,400	16,200
Head of Household	10,500	10,800
Head of Household (over 65)	11,750	12,050
Married Filing Separate (Spouse Itemizing Deductions)	3,200	2,100
Married Filing Separate	8,200	7,100

## **Filing Requirements**

You do not have to file a Missouri return if you are not required to file a federal return.

If you are required to file a federal return, you may not have to file a Missouri return if you:

- are a resident and have less than \$1,200 of Missouri adjusted gross income;
- are a nonresident with less than \$600 of Missouri income; or
- your Missouri adjusted gross income is less than the amount of your standard deduction plus the exemption amount for your filing status.

**Note:** If you are not required to file a Missouri return, but you received a Form W-2 stating you had Missouri tax withheld, you must file your Missouri return to get a refund of your Missouri withholding. If you are not required to file a Missouri return and you do not anticipate an increase in income, you may change your Form MO W-4 to “exempt” so your employer will not withhold Missouri tax.

**ATTENTION:** If a taxpayer is claimed as a dependent on another person’s return, the standard deduction is the greater of \$800 or the earned income for the year plus \$250 up to the standard deduction amount.



# SELECTING THE CORRECT RETURN

Missouri has simplified short forms that may be used for 2005 if following guidelines are met:

- I. Form MO-1040A may be used if:
  - a. Any filing status, but only one income earner, all earned in Missouri;
  - b. Standard or itemized deductions;
  - c. Your state income tax refund is included in your federal income (if itemized last year);
  - d. Resident, nonresident, or part-year resident with 100 percent Missouri source income;
  - e. Do not have any tax credits or modifications to your income.
- II. Form MO-1040B may be used if:
  - a. Married filing combined status;
  - b. Both spouses have income; all earned in Missouri;
  - c. Standard or itemized deductions;
  - d. Neither spouse is being claimed as a dependent on another person's federal return;
  - e. Your state income tax refund is included in your federal income (if itemized last year);
  - f. Resident, nonresident, or part-year resident with 100 percent Missouri source income;
  - g. Do not have any tax credits or modifications to your income.
- III. Form MO-PTS must be used if:
  - a. Filing Form MO-1040P and claiming the Property Tax Credit;
  - b. Filing Form MO-1040 (long form) and claiming the Property Tax Credit.
- IV. Form MO-1040P may be used if:
  - a. Any filing status is claimed;
  - b. One or two income earner; all earned in Missouri;
  - c. Standard or itemized deductions;
  - d. Your state income tax refund is included in your federal income (if itemized last year);
  - e. You claim a pension exemption (private or public);
  - f. Estimated tax payments were made;
  - g. Resident, nonresident, or part-year resident with 100 percent Missouri source income.
- V. Form MO-1040 (long form) must be used if:
  - a. Miscellaneous tax credits (taken on Form MO-TC) are claimed;
  - b. Form MO-NRI or Form MO-CR is used;
  - c. Any Missouri modifications claimed other than a state income tax refund subtraction;
  - d. You owe a penalty for underpayment of estimated tax;
  - e. You are filing an amended return;
  - f. You owe recapture tax on low income housing credit;



- g. You owe tax on a lump sum distribution included on Federal Form 1040, Line 44;
  - h. You are a member of a nonresident professional athletic team or a professional entertainer;
  - i. Payment is made with Form MO-60;
  - j. You are claiming a deduction for **dependents** age 65 or older;
  - k. You are a fiscal year filer.
- VI. Form MO-PTC\* must be used if:  
You are **not filing** an individual income tax return (Form MO-1040 or MO-1040P)  
and you qualify for a property tax credit;

\*Form MO-PTC should be filed **ONLY if not filing a federal or a state individual income tax return**; otherwise, use Form MO-PTS with Form MO-1040 or MO-1040P.

# MISSOURI ADJUSTED GROSS INCOME

The starting income on the Missouri tax return is the federal adjusted gross income from Federal Form 1040, Line 37; or from Federal Form 1040A, Line 21; or from Federal Form 1040EZ, Line 4.

To compute Missouri adjusted gross income, any positive and/or negative modifications to federal adjusted gross income must be computed first on Form MO-A, Part 1. The positive and/or negative modifications are entered on Form MO-1040, Lines 2 and 4 respectively. Examples of negative modifications are exempt federal interest, state tax refund, Missouri Savings for Tuition Program (MO\$T) and/or Missouri Higher Education Deposit Program exempt contributions and railroad retirement, both Tier 1 and Tier 2. Examples of positive modifications are interest on state and local obligations other than Missouri, nonqualified distributions received from the Missouri Savings for Tuition Program (MO\$T) and/or Missouri Higher Education Deposit Program, and positive adjustments reported from partnerships, fiduciaries, and S corporations of interest in state and local obligations other than Missouri.



# PENSIONS

Missouri law allows up to a \$6,000 exclusion of pensions on the 2005 Missouri Income Tax Return if certain income limitations are met.

The income limitations are as follows:

Single, Head of Household, Qualifying Widow(er)	\$25,000
Married Filing Combined	\$32,000
Married Filing Separate	\$16,000

**NOTE:** The taxable portion of social security benefits is not used for the purpose of determining income limitations. Railroad Retirement doesn't qualify unless you are 100% disabled.

The total maximum pension exemption per taxpayer is \$6,000. If a taxpayer's income exceeds the limitations for receiving a full pension exemption, the taxpayer may still qualify for a partial pension exemption. The pension exemption must be decreased by the amount the taxpayer's income exceeds the limitation. **(Example: The income limitation for "married filing combined" is \$32,000 to receive a pension exemption of \$12,000 (\$6,000 if single). If the taxpayers' income is \$33,000 combined, then they would be entitled to a pension exemption of \$11,000. The pension exemption is reduced by one dollar for every dollar that the taxpayers' income exceeds the income limitation.)**

If there is doubt as to whether a pension qualifies for this exclusion, please see page 6.





## ***Pension Information Continued***

### **Government and/or Private Pension Exemption — Form MO-1040**

Complete Form MO-A, Part 3, if the taxpayer received a pension in 2005. Enter on Form MO-1040, Line 8 the amount from Form MO-A, Part 3, Line 9. Attach a copy of the Federal Return (Pages 1 and 2) and Form 1099-R. Failure to attach copies will result in disallowance of the pension exemption. The maximum pension exemption per taxpayer is \$6,000. The pension exemption is reduced one dollar for every dollar income exceeds the income limitation. (See page 5 for income limitations based on filing status.)

**Example 1:** Bob and Mary Smith file their return as “married filing combined”. The maximum pension exemption for “married filing combined” is \$12,000 (\$6,000 per taxpayer). Bob and Mary’s combined income equals \$33,000. Because their combined income exceeds the income limitation for “married filing combined” by \$1,000 — the allowable pension exemption is reduced by \$1,000. Bob and Mary will have to subtract \$1,000 from their allowable pension exemption. If their total pension income is \$10,000, their exemption would be \$9,000. If their allowable pension income is \$12,000, their exemption would be \$11,000.

**Example 2:** Martha’s filing status is “qualifying widow”. Her total income is \$23,000. Martha’s income includes \$18,000 from a pension. Because Martha’s income does not exceed the income limitation for “qualifying widow”, she is allowed to exclude \$6,000 of her pension as a pension exemption.

# PERSONAL EXEMPTION AMOUNTS

The filing status claimed on the Missouri return must be the same as the status claimed on the federal return. However, the dollar amount of personal exemptions is different.

<u>STATUS</u>	<u>AMOUNT</u>
Single	\$2,100
Married Filing Combined	4,200
Married Filing Separate	2,100
Married Filing Separate (spouse not filing)	4,200
Head of Household	3,500
Qualifying Widow(er) (with dependent child)	3,500
Claimed as Dependent on another return	0
Each Dependent claimed on the federal return other than yourself or your spouse	1,200
Each Dependent who is 65 years of age and older who resides in the taxpayer's home or who lives in dependent's home who does not receive Medicaid while living in a facility licensed pursuant to Chapter 198, RSMo.	\$1,000

**NOTE:** The 2005 Federal personal exemption is \$3,200.



# STANDARD DEDUCTION TABLE

The following table should be used to determine the standard deduction to be used on the federal and Missouri tax returns.

Step 1: Determine the correct number of boxes to check.

Yourself	65 or older	<input type="checkbox"/>	Blind	<input type="checkbox"/>
Your spouse	65 or older	<input type="checkbox"/>	Blind	<input type="checkbox"/>
Total Boxes Checked _____				

<u>Filing Status</u>	<u>Boxes Checked</u>	<u>Standard Deduction</u>
Single	0	\$5,000
	1	6,250
	2	7,500
Married Filing Jointly (Combined)	0	\$10,000
	1	11,000
	2	12,000
	3	13,000
	4	14,000
Married Filing Separate also	0	\$5,000
Married Filing Separate	1	6,000
(Spouse not filing)	2	7,000
65+ and Blind, Married Filing Separate (Spouse not filing)	3	\$8,000
65+ and Blind, Married Filing Separate (Spouse not filing)	4	\$9,000
Head of Household	0	\$7,300
	1	8,550
	2	9,800
Qualifying Widow(er)	0	\$10,000
	1	11,000
	2	12,000
Single — Claimed as a dependent on another person's return	0	\$800*
Married & Surviving Spouse	Additional \$1,000	
Heads of Household and Singles	Additional \$1,250	

**\*NOTE: Standard deduction may not exceed the greater of \$800 or the sum of \$250 and the individual's earned income, up to the applicable standard deduction amount (\$5,000 for single taxpayers).**

# ITEMIZED DEDUCTIONS / OTHER DEDUCTIONS

## ITEMIZED DEDUCTIONS 2005

### MISSOURI ITEMIZED DEDUCTIONS

Missouri law requires a taxpayer to start with the federal itemized deductions reported on Schedule A of his/her federal return. If you itemize deductions on your federal return, you may itemize your deductions for Missouri or take the standard deduction, whichever is to your advantage. If the taxpayer does not itemize his/her deductions on the federal return, he/she will not be allowed to itemize on the Missouri return. If the taxpayer is required to itemize on the federal return, he/she must itemize on the Missouri return.

### ADDITIONS TO FEDERAL ITEMIZED DEDUCTIONS

Social Security Tax and Medicare Tax

Railroad Retirement Tax (Tier I and Tier II)

Self-employment Tax claimed on Federal Form 1040, Line 27.

### SUBTRACTIONS FROM FEDERAL ITEMIZED DEDUCTIONS

The amount of state and local income tax claimed on the Federal Schedule A, less any city earnings tax included in that amount. If Federal AGI is more than \$145,950 or \$72,975 if married filing separately, consult the worksheet on Form MO-A, Part 2.

Note: If you itemized your general sales tax (Schedule A, Line 5b), enter zero on Form MO-A, Part 2, Line 8.

## OTHER DEDUCTIONS

### LONG-TERM CARE INSURANCE DEDUCTION

If you paid premiums for qualified long-term care insurance in 2005, you may be eligible for a deduction on your Missouri income tax return. Qualified long-term care insurance is defined as: insurance coverage for period of at least 12 months for long-term care expenses should such care become necessary because of chronic health conditions and/or physical disabilities including cognitive impairment or the loss of functional capacity, thus rendering an individual unable to care for themselves without the help of another person.

# RESIDENT AND NONRESIDENT INFORMATION

## FORM MO-NRI

Form MO-NRI is a supplement to the Form MO-1040 and may be used by a nonresident, part-year resident, or military personnel. (It may be filed by itself under the condition noted in bold print below.) Form MO-NRI allows a nonresident, part-year resident, or military personnel to allocate income on the basis of income earned in Missouri divided by income from all sources. This results in a percentage to be used to calculate the Missouri income tax liability. Form MO-NRI includes information for military personnel. Military personnel who are required to file, will need to file a Form MO-NRI with Form MO-1040. **Military personnel who are stationed in Missouri, but not required to file a return, will complete Form MO-NRI and sign the back. The Form MO-NRI should also be completed by someone who moved into Missouri after December 31, 2005 and had no Missouri source income. The Department of Revenue will “record” the information from the Form MO-NRI.**

## FORM MO-CR

Form MO-CR is a supplement to the Form MO-1040 and may be used by a resident of Missouri who has income from another state and is required to file a return in that state. Form MO-CR allows a credit for income taxes paid to the other state against the Missouri income tax liability.

**NOTE:** A part-year resident may use Form MO-CR if the part-year resident elects to file a Missouri return as a resident. At NO time will the same taxpayer be allowed to use both Form MO-NRI and Form MO-CR. However, if filing a combined return, it is possible that one spouse could use a Form MO-NRI and the other, Form MO-CR.

**EXAMPLE:** Taxpayer moves to Missouri during the year and marries a Missouri resident. The Missouri resident has income from another state. The part-year resident elects to file using Form MO-NRI, but the Missouri resident must use Form MO-CR as he/she was a full-year resident of Missouri.

Access **[www.dor.mo.gov/tax](http://www.dor.mo.gov/tax)** for more information and examples.

# MILITARY INFORMATION

## MILITARY — GENERAL INFORMATION

The tax status of military personnel under the Missouri Income Tax Law and the Soldiers and Sailors Relief Act is determined by home of record. It is mandatory for Military Finance Centers to withhold state tax from a Missouri resident unless he/she qualifies to use the Form MO-NRI. Questions should be directed to Customer Assistance.



## MILITARY — HOME OF RECORD — NOT MISSOURI

If the military service member's home of record is a state other than Missouri, his/her domicile is in the other state.

If the military service member is stationed in Missouri, then he/she is not subject to Missouri income tax on his/her military pay nor on any interest or dividend income received from personal investments. Even if the military service member is not required to pay Missouri tax, he/she should file a Form MO-NRI, Missouri Income Percentage, to verify the military service member is not subject to Missouri income tax.

Effective for the 2003 tax year, the Service Members Civil Relief Act, H.R.100, prohibits states from including the military income of a **nonresident** service member when determining the individual income tax rate for either the service member (or the service member's spouse on a combined return).

If a nonresident military service member or his/her spouse earns \$600 or more of non-military income while in Missouri, that portion of income is taxable by Missouri and a Form MO-1040, Missouri Individual Income Tax Return must be filed. To ensure nonresident military service members receive the benefit of the new law, the military income received by nonresident military service members may be subtracted from their federal adjusted gross income. Check the appropriate box and enter the nonresident military income on Form MO-A, Part 1, Line 7.

## MILITARY — HOME OF RECORD — MISSOURI

If the military service member's home of record is Missouri, his/her domicile is Missouri. In this case, the person is considered Missouri domiciled and is subject to Missouri income taxes on all income from whatever source including his/her military pay.

The only exception is if the Missouri domiciled individual files a sworn statement (Form MO-NRI) that he/she:

- (a) maintained no permanent place of abode in Missouri during the tax year;
- (b) did maintain a permanent place of abode elsewhere; and
- (c) did not spend more than 30 days of the year, for which they are filing, in Missouri;

then the Missouri domiciled individual is considered a "nonresident" for tax purposes. With a "nonresident" tax status the individual does not pay Missouri income tax on his or her military pay or on interest and dividend income from personal investments.

All Missouri domiciled military personnel who wish to claim a "nonresident" status should file an income tax return (Form MO-1040) each year and enclose with that return Form MO-NRI, Missouri Income Percentage.

**Note:** If the military person is stationed in Missouri with a Missouri home of record, all income including military pay is taxable. If the military person and their spouse are Missouri residents and the spouse remains in Missouri while the military person is stationed outside of Missouri, the total income (including military pay) is taxable to Missouri.

If the Missouri domiciled military person enters or leaves the armed forces during the year and resides in Missouri prior to entering the military or after leaving the military, the military person's total income (including military pay) is taxable to Missouri. If the military service member's home of record is Missouri, his/her domicile is Missouri. In this case, the person is considered Missouri domiciled and is subject to Missouri income taxes on all income from whatever source including his/her military pay.

The only exception is if the Missouri domiciled individual files a sworn statement (Form MO-NRI) that he/she:

- (a) maintained no permanent place of abode in Missouri during the tax year;
- (b) did maintain a permanent place of abode elsewhere; and
- (c) did not spend more than 30 days of the year, for which they are filing, in Missouri;

then the Missouri domiciled individual is considered a "non-resident" for tax purposes. With a "non-resident" tax status the individual does not pay Missouri income tax on his or her military pay or on interest and dividend income from personal investments.

All Missouri domiciled military personnel who wish to claim a "non-resident" status should file an income tax return (Form MO-1040) each year and enclose with that return Form MO-NRI, Missouri Income Percentage.

## **DOMICILE — DEFINED**

"Domicile" is the place which an individual intends to be his/her permanent home; a place to which he/she intends to return to whenever he/she may be absent. A domicile, once established, continues until the individual moves to a new location with the bona fide intention of making his/her fixed and permanent home there. An individual can have only one domicile.

Access [www.dor.mo.gov/tax](http://www.dor.mo.gov/tax) for more information and examples.

# ESTIMATED TAXES

Under Missouri law, a taxpayer must file Form MO-1040ES, Estimated Tax Declaration for Individuals, if their tax liability is expected to be \$100 or more and Missouri tax is not withheld.

The Estimated Tax Form (Form MO-1040ES) must be filed on the following due dates:

- 1st Quarter — April 17, 2006
- 2nd Quarter — June 15, 2006
- 3rd Quarter — September 15, 2006
- 4th Quarter — January 15, 2007

**NOTE:** If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

Failure to pay 90 percent of the tax liability by withholding or estimated tax payments could result in a penalty for underpayment of estimated tax (Form MO-2210).

**The department offers these alternative filing methods:**

Tax Type	Filing Frequency	Payment	Return
Withholding Tax	Quarterly, Monthly, Annual	TXP or Online	With electronic payment or zero return—telefile or coupon
	Quarter-Monthly	Paper Check	Coupon
Corporate Income Tax Payment	1120ES or payment	TXP or Online	Telefile, download paper coupon, or soon to be released online reconciliation
Sales/Use Tax	Quarterly, Monthly, Annual	TXP, Online or paper check	N/A
	Quarter-Monthly	TXP or Online	Mail paper return or telefile zero return
Individual Income Tax	1040ES	TXP, Online or paper check	Mail paper return or telefile zero return
	Payments	Paper or specific tax type at year end...can use online payment but will be LONV	N/A
		Online or paper	N/A

**NOTE:** An alternative payment method must be used for quarter-monthly sales/withholding tax payments. Paper vouchers are not offered. To learn more about alternative filing methods, access the department's web site at [www.dor.mo.gov/tax/elecprog.htm](http://www.dor.mo.gov/tax/elecprog.htm), contact the department at (573) 751-3930, or e-mail [elecfile@dor.mo.gov](mailto:elecfile@dor.mo.gov).

The department also encourages electronic/internet filing options for individual income tax. The department received more than 1,300,000 electronically filed returns for the 2004 tax year. Electronically filed returns offer many benefits to the taxpayer including receipt acknowledgment, faster refunds, accuracy, and convenience.



# MISSOURI TAXABLE STATUS OF VARIOUS INCOME ITEMS

	<u>EXEMPT</u>	<u>NOT EXEMPT</u>
Bank for Co-operatives	X	
Commodity Credit Corporation	X	
Education Institution Bonds	X	
Export-Import Bank of U.S.		X
Farmers Home Administration		X
Federal Deposit Insurance Corporation (FDIC)	X	
Federal Farm Credit Banks	X	
Federal Farm Loan Corporation	X	
Federal Financing Bank (FFB) Obligations	X	
Federal Home Loan Banks (FHLB)	X	
Federal Home Loan Mortgage Cor.		X
Federal Housing Administration (FHA) Debentures	X	
Federal Intermediate Credit Banks	X	
Federal Land Banks	X	
Federal National Mortgage Association		X
Financial Corporation Bonds (FICO)	X	
Financing Corporation Obligations	X	
General Insurance Fund	X	
General Services Administration (GSA)	X	
Government National Mortgage Assoc.		X
Junior College Building Corporation Bonds	X	
Missouri Higher Education Loan Authority (MOHELA) Bond	X	
National Credit Union Central Liquidity Facility	X	
National Farm Loan Association	X	
New Communities Debentures		X
Public Housing Notes and Bonds	X	
Public Debt	X	
Resolution Funding Corporation Bonds	X	
Small Business Administration (SBA)	X	
Student Loan Marketing Association (Sallie Mae)	X	
Tennessee Valley Authority (TVA)	X	
U.S. Certificates of Indebtedness	X	
U.S. Freedom Shares	X	
U.S. Individual Retirement Bonds	X	
U.S. Treasury Bills, Treasury Bonds, Treasury Notes	X	
United States Postal Service	X	
Washington Metropolitan Area Transit Authority		X
Zero Coupon Bonds	X	
CATS, ZEBRAS, TIGRS	X	
Repurchase Agreements		X
U.S. Series E&H Bonds	X	
Puerto Rican Bonds	X	
American Samoa	X	
Guam	X	
Northern Mallana Covenant	X	
Northern Mariana	X	
Virgin Islands	X	

# MISCELLANEOUS TAX CREDITS

## MISCELLANEOUS TAX CREDITS

Missouri law allows for certain tax credits. The tax credits are computed by completing Form MO-TC, Miscellaneous Income Tax Credits. Enter the total amount of credits from Form MO-TC, Line 13, on Form MO-1040, Line 36. Form MO-TC must be attached to Form MO-1040. The following is a list of available credits and the agency to contact for information, forms, and approval to claim each credit.

### 1. TAX CREDITS ADMINISTERED BY THE DEPARTMENT OF ECONOMIC DEVELOPMENT

— Contact the Missouri Department of Economic Development, Tax Benefit Programs, P.O. Box 118, Jefferson City, Missouri 65102-0118 or access [www.ded.missouri.gov](http://www.ded.missouri.gov).

- *New or Expanded Business Facility Credit* (573) 751-0717
- *Missouri Business Modernization and Technology (Seed Capital) Credit* (573) 751-0717
- *Neighborhood Assistance Credit (Including Homeless Assistance Credit)* (573) 522-2629
- *Enterprise Zone Credit* (573) 751-9051
- *Small Business Incubator Credit* (573) 751-0717
- *Small Business Investment Credit* (573) 751-0295
- *Community Bank Investment Credit* (573) 751-9051
- *Qualified Research Expense Credit* (573) 751-0717
- *Youth Opportunities Credit* (573) 751-4539
- *Historic Preservation Credit* (573) 522-8006
- *Remediation Credit* (573) 522-8004
- *Brownfield “Jobs and Investment” Credit* (573) 522-8004
- *Dry Fire Hydrant Credit* (573) 526-5417
- *Family Development Account Credit* (573) 526-5417
- *Film Production Credit* (573) 751-0717
- *New Enterprise Creation Credit* (573) 751-0717
- *Rebuilding Communities Credit* (573) 522-8004
- *Wine and Grape Production Credit* (573) 522-5821
- *Rebuilding Communities and Neighborhood Preservation Act Credit* (573) 522-8004
- *Demolition Credit* (573) 522-8004
- *Transportation Development Credit* (573) 751-3181
- *Development Tax Credit* (573) 751-3181
- *Missouri Quality Jobs Credit* (573) 751-9048
- *New Enhanced Enterprise Zone Credit* (573) 751-9048
- *Bond Enhancement* (573) 526-4194
- *Small Business Guaranty Fees Credit* (573) 751-2129

### 2. OTHER MISSOURI TAX CREDITS

- *Special Needs Adoption Credit* — contact the Missouri Department of Revenue, P.O. Box 371, Jefferson City, MO 65105-0371 or call (573) 526-8733.

- *Bank Tax Credit for S Corporation Shareholders*— contact the Missouri Department of Revenue, P.O. Box 371, Jefferson City, MO 65105, or call (573) 526-8733.
- *Missouri Low Income Housing Credit* — contact the Missouri Housing Development Commission, 3435 Broadway, Kansas City, MO 64111 or call (816) 759-6668.
- *Affordable Housing Assistance Credit* — contact the Missouri Housing Development Commission, 3435 Broadway, Kansas City, MO 64111 or call (816) 759-6662.
- *Processed Wood Energy Credit* — contact the Missouri Division of Energy, P.O. Box 176, Jefferson City, MO 65102-0176 or call (573) 751-3443.
- *Charcoal Producers Credit* — contact the Missouri Division of Energy, P.O. Box 176, Jefferson City, MO 65102-0176 or call (573) 751-4817.
- *Missouri Business Use Incentives for Large-Scale Development (BUILD) Credit* — contact the Missouri Development Finance Board, P.O. Box 567, Jefferson City, MO 65102-0567 or call (573) 751-8479.
- *Development Reserve Credit* — contact the Missouri Development Finance Board, P.O. Box 567, Jefferson City, MO 65102-0567 or call (573) 751-8479.
- *Export Finance Credit* — contact the Missouri Development Finance Board, P.O. Box 567, Jefferson City, MO 65102-0567 or call (573) 751-8479.
- *Infrastructure Development Credit* — contact the Missouri Development Finance Board, P.O. Box 567, Jefferson City, MO 65102-0567 or call (573) 751-8479.
- *Maternity Home Credit* — contact the Missouri Department of Social Services, P.O. Box 88, Jefferson City, MO 65103-0088 or call (573) 751-8934.
- *Agriculture Product Utilization Contributor Credit* — contact the Missouri Agricultural and Small Business Development Authority, P.O. Box 630, Jefferson City, MO 65102-0630 or call (573) 751-2129.
- *New Generation Cooperative Incentive Credit* — contact the Missouri Agricultural and Small Business Development Authority, P.O. Box 630, Jefferson City, MO 65102-0630 or call (573) 751-2129.
- *Shelter for Victims of Domestic Violence Credit* — contact the Missouri Department of Public Safety, P.O. Box 749, Jefferson City, MO 65102-0749 or call (573) 751-5103.
- *Sponsorship and Mentoring Program Credit* — contact the Missouri Department of Elementary and Secondary Education, P.O. Box 480, Jefferson City, MO 65102-0480 or call (573) 751-4192.
- *Disabled Access Credit* — contact the Missouri Department of Revenue, P.O. Box 371, Jefferson City, MO 65105-0371 or call (573) 526-8733.
- *Shared Care Tax Credit*—contact the Missouri Division of Aging, P.O. Box 570, Jefferson City, MO 65102-0570 or call (800) 235-5503.

# PROPERTY TAX CREDIT CLAIM

The Property Tax Credit Claim is a refundable credit to the taxpayer if certain criteria are met.

## A. TAXPAYER 65 YEARS OF AGE OR OLDER\*

The taxpayer or spouse must be 65 years of age as of December 31, 2005. If the spouse was 65 or older and died during the year of 2005, the taxpayer would still qualify for the credit, even if he/she is not 65, for the tax year 2005.



## B. DISABLED VETERAN

A taxpayer may also qualify for the property tax credit if the taxpayer or spouse is a veteran of the armed forces of the United States or the state of Missouri and the taxpayer or spouse became 100 percent disabled as a result of this service. The income received from VA disability pay is not included in household income.

## C. DISABLED PERSON

The taxpayer may qualify for the property tax credit if the taxpayer or spouse is disabled as defined in Section 135.010(2).

**Disabled** (as defined in Section 135.010(2), RSMo): The inability to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment, which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. A claimant shall not be required to be gainfully employed prior to such disability.

A copy of the taxpayer's Form SSA-1099, SSI benefits, or a letter from Social Security Administration providing the date of disability must be submitted.

**NOTE: Minor children do not qualify for this credit.**

## D. SURVIVING SPOUSE

If you are 60 years of age or older as of December 31, 2005, (born before 1944) and received surviving spouse social security benefits during 2005, you may qualify to claim the property tax credit. Form SSA-1099 must be submitted with filing.

## E. ADDITIONAL INFORMATION

1. **\*A taxpayer or spouse must have been a resident of Missouri for the entire year of 2005.** If the claimant would have been otherwise qualified for a property tax credit and would have been a resident for the entire 2005 calendar year, but died before the last day of the calendar year, the claimant would still qualify for the credit for 2005.
2. The taxpayer's household income may not exceed \$25,000 or \$27,000 for a married couple filing combined.
3. If the taxpayer owns the property, he/she must have a **PAID** copy of his/her real estate tax receipt or if the taxpayer rents (which includes nursing homes), he/she must have proof of the amount of rent paid. If the rent is paid to a relative, the relationship to the landlord must be indicated on the Form MO-CRP.
4. If the taxpayer is required to file an individual income tax return and still qualifies for the property tax credit, he/she should attach the Form MO-PTS to the Form MO-1040

## PROPERTY TAX CREDIT CLAIM (continued)

or MO-1040P to expedite receiving his/her refund. If the taxpayer is required to file a Missouri individual income tax return and they do not have any modifications, miscellaneous tax credits or other special filing situations, they may file Form MO-1040P and should attach Form MO-PTS to claim their credits and satisfy their tax filing requirement.

5. The following is not included as income on the Form MO-PTC or Form MO-PTS.
  - a. Gifts
  - b. Prior year refunds
  - c. Foster grandparent salaries
  - d. Life insurance benefits
  - e. Food stamps
  - f. Sale of personal residence if it is not included in AGI. The claimant must have been a resident in the home at the time of the sale.
  - g. VA disability pension (for 100 percent service related disabled veteran).
  - h. Stipend for senior companions
  - i. Heating assistance
6. The property tax credit table has lines added to assist taxpayers in figuring their refund. The refund cannot exceed \$750.

**\*Please note the full year residency only applies to claimants 65 years or older. Veterans, disabled individuals, or individuals over 60 years of age receiving surviving spouse benefits, can be part-year residents.**

## F. GRANTS

Grants in the claimants name can be included as income on Form MO-PTC, Line 2 or Form MO-PTS, Line 3 and the claimants can take credit for rent paid.

Grants in the nursing facility's name, distributed by the nursing facility, are not income to the claimant and cannot be claimed as rent paid.

## G. LONG-TERM CARE INSURANCE BENEFITS

Benefit payments made payable to the care facility are not included as income or rent. If the benefit payments are made payable to the claimant, the amount of the payment (not to exceed rent amount) is claimed as income and rent. If the benefit payments exceed the rent amount, the excess is considered taxable income, and should be included as income on Form MO-PTC, Line 2 or Form MO-PTS, Line 3.

## H. DOCUMENTATION REQUIRED (This is for AARP/VITA site volunteers)

1. Copy of the property tax receipt (Paid) **or** MO-CRP (Certification of Rent Paid)
2. Copy of letter from VA for 100 percent disabled veterans (DOR approved)
3. Form SSA-1099, SSI benefits, a letter from the Social Security Administration providing a date of disability.

Before the Forms MO-PTC, MO-1040P, or MO-1040 are sent, make sure that all the required documentation is attached, double check the address, ensure the social security number is correct, and make certain the return is signed. If the taxpayer is unable to sign his/her name, and another person signs as Power of Attorney (POA), a copy of the POA document must be attached.

Mail Form MO-PTC and supporting documentation to: Missouri Department of Revenue, P. O. Box 2800, Jefferson City, Missouri 65105-2800.

Form MO-PTS should be included with Form MO-1040P and mailed to the appropriate address on the form.

If filing Form MO-1040, Form MO-PTS should be attached and mailed to: Missouri Department of Revenue, P.O. Box 2800, Jefferson City, MO 65105-2800.

**NOTE:** *A taxpayer may sign with an “X” if two people witness his/her “mark”.*

**NOTE:** Property tax credit refunds may be applied to individual income tax debts and/or property tax credit billings caused by amended returns or corrections made by the department.

## INFORMATION RETURNS

### **FORM MO-99 MISC — ANNUAL REPORT OF PAYMENT OF RENT, ROYALTIES, ETC.**

Form MO-99 MISC, comparable to Federal Form 1099 MISC, must be filed for nonresidents when such amounts aggregate of \$1,200 or more. Copy 1 is to be filed with the Department of Revenue, P.O. Box 999, Jefferson City, Missouri 65109-0999 with Form MO-96, Annual Summary and Transmittal of Information Returns. Copy 2 is to be provided to the recipient. Copy 3 is optional and is Payer’s copy. The due date is February 28.

### **FEDERAL FORM 1099 MISC — SUBSTITUTE FOR FORM MO-99 MISC**

Form 1099 MISC can be used as long as the copies are clearly marked as follows:

Copy 1 – Missouri copy; and Copy 2 – Information supplied to Missouri Department of Revenue. The due date is February 28 (February 29 for Leap Years).

# GENERAL INFORMATION

## FORMS

Forms and instructions may be obtained from any office of the Department of Revenue. The locations are listed inside the cover of this book. Forms may also be ordered by calling the toll free telephone number (800) 877-6881. Up to 10 forms may be ordered at no charge.

## FORMS-BY-FAX

Forms may be ordered/received by fax by calling (573) 751-4800 from your fax machine handset. When using the forms-by-fax option, the receiving fax machines must have enough memory to store all selections made. Otherwise, forms will be dropped out during the transmission.

## INTERNET

The Missouri Department of Revenue can also be accessed through the Internet at the following web site: **[www.dor.mo.gov/tax](http://www.dor.mo.gov/tax)**.

## AMENDED RETURNS

If a taxpayer files an income tax return and later becomes aware of changes that must be made to income, deductions, or credits, he/she must file an amended Missouri return by completing Form MO-1040. A copy of the federal amended return, Form 1040X, must also be provided, if one was filed.

## FEDERAL TAX ADJUSTMENTS

Missouri law requires taxpayers with federal returns that are adjusted or audited to file an amended Missouri return within 90 days after the adjustments or audit has been completed or accepted.

## WHEN TO FILE

A calendar year return is due on or before April 15th. Returns for fiscal years are due on the 15th day of the fourth month after the close of the taxable year. When the due date falls on a Saturday, Sunday, or legal holiday, the return will be considered timely if filed on the next business day.

## WHERE TO FILE AND PAY TAX

Mail returns and check or money order to the Missouri Department of Revenue, P.O. Box 329, Jefferson City, Missouri 65107-0329 (*2-D barcode returns only*: P.O. Box 3370). For refund claims, mail to Department of Revenue, P.O. Box 500, Jefferson City, Missouri 65106-0500 (*2-D barcode returns only*: P.O. Box 3222).

## EXTENSION TO FILE

Missouri grants an automatic extension of time to file to any individual, corporation, partnership, fiduciary, or estate who has a Federal extension. You do not need to file Form MO-60 (Application for Extension of Time to File) unless:

1. **You expect to owe a tax liability for the period.** Form MO-60 and payment are due on or before the due date of the return.
2. **You want a Missouri extension but not a Federal extension. See NOTE below for exception on individual income tax returns only.** Form MO-60 is due on or before the due date of the return. A copy of Form MO-60 must be attached to the Missouri returns when filed. An approved Form MO-60 extends the due date up to 180 days for the individual, fiduciary, partnership income tax returns, and the corporation return.
3. **You seek a Missouri extension exceeding the Federal automatic extension period.** Form MO-60 must be filed on or before the end of the federal extension period.

You must complete a separate Form MO-60 for each return or report.

**NOTE: For individual income tax returns only. You are not required to file a Form MO-60 if:**

- 1. You have an approved federal extension. (Attach a copy of your federal extension when you file your Missouri return.)**
- 2. You do not expect to owe additional income tax.**
- 3. You anticipate receiving a refund.**

**METHODS OF PAYMENTS**

Payments must be postmarked by April 17, 2006, to avoid interest and late payment charges. When the due date falls on a Saturday, Sunday, or legal holiday, the return will be considered timely if filed on the next business day. The department offers several payment options.

**Check or money order:** Attach a check or money order (U.S. funds only), payable to Missouri Director of Revenue. Checks will be cashed upon receipt. **Do not postdate.** The department may collect checks returned for insufficient or uncollected funds electronically.

**Electronic Bank Draft (E-Check):** By entering your bank routing number, checking account number, and your next check number, you can pay online at the following address: **[www.dor.mo.gov/tax/personal](http://www.dor.mo.gov/tax/personal)**, or by calling (888) 929-0513. There will be a minimal handling fee per filing period/transaction to use this service.

**Credit Card:** The department accepts MasterCard, Discover, Visa, and American Express. You can pay online at **[www.dor.mo.gov/tax/personal](http://www.dor.mo.gov/tax/personal)**, or by calling (888) 929-0513. The convenience fees listed below will be charged to your account for processing credit card payments:

<u>Amount of Tax Paid</u>	<u>Convenience Fee</u>
\$0.00–\$33.00	\$1.00
\$33.01–\$100.00	3.0%
\$100.01–\$250.00	2.9%
\$250.01–\$500.00	2.8%
\$500.01–\$750.00	2.7%
\$750.01–\$1,000.00	2.6%
\$1,000.01–\$1,500.00	2.5%
\$1,500.01–\$2,000.00	2.4%
\$2,000.01 or more	2.3%

**Note:** The handling and/or convenience fees included in these transactions are being paid to the third party vendor, Collector Solutions, Inc., **not** to the Missouri Department of Revenue. By accessing this payment system, the user will be leaving Missouri's web site and connecting to the web site of Collector Solutions, Inc., which is a secure and confidential web site.

Mail your return and all required attachments to: **Department of Revenue, P.O. Box 329, Jefferson City, MO 65107-0329.**

**INTEREST AND PENALTY**

Interest is due on tax not paid on time. For calendar year 2005, interest is computed at 4 percent per annum from the date due until the date paid. Additions to tax for failure to pay on time is assessed at 5 percent of the tax due. For failure to file on time, additions to tax of 5 percent per month, not to exceed 25 percent, is assessed.

**KEEP YOUR RECORDS**

Taxpayers should keep copies of tax returns and Form W-2 statements for four years.



# COMMON MISTAKES ON MISSOURI INDIVIDUAL INCOME TAX RETURNS

1. The tax return is not signed.
2. Necessary documentation is not attached. Examples: Form W-2(s), 1099-R(s), Federal Return (Pages 1 and 2), Federal Schedule A, Form MO-A, Form MO-CR, and other states' returns.
3. The amount of Missouri tax withheld claimed is not correct. City earnings tax and withholding from other states are erroneously claimed.
4. Calculation errors are made on the returns.
5. The amount of Federal tax withheld is claimed as a deduction instead of actual Federal tax liability.
6. Federal Earned Income Credit is incorrectly claimed as a Federal tax deduction on Missouri returns.
7. The wrong filing status box is checked.
8. Total number of dependents claimed is incorrect. The filer incorrectly claimed self or spouse as dependent. The number of dependents is not indicated in the box provided on the tax return.
9. Missouri tax on taxable incomes over \$9,000 is incorrectly calculated.
10. Estimated tax payments are not claimed on the return.
11. The husband and wife incomes do not equal total Missouri adjusted gross income. Income percentages are incorrectly calculated.
12. The amount of standard deduction claimed does not correspond to filing status. Many Federal Form 1040EZ filers incorrectly include their Federal personal exemption in the Missouri Standard Deduction on Form MO-1040A.



## FINAL CHECKLIST IN COMPLETING MISSOURI INCOME TAX RETURNS

- ☐ Peel the label off the cover of the tax book and place it on the return, only if all information is correct. If a postcard was received instead of a book, please use the label from the postcard on your return.
- ☐ In the space provided, enter your and your spouse's social security number(s), the number of the school district, the name of the county in which the taxpayer resides, and check the appropriate box if deceased is applicable.
- ☐ Check and verify all calculations on the return. An error may delay a refund, result in a billing, or necessitate correspondence.
- ☐ Attach state copies (from all states if you are a part-year resident) of Form W-2(s) and Form 1099-R(s) from all employers and administrators who withheld Missouri tax. Verify that the amount entered on Form MO-1040, Line 31 equals the total shown on Form W-2(s) and Form 1099-R(s).
- ☐ If submitting a Property Tax Credit Claim, send a completed Form MO-PTC or Form MO-1040 or Form MO-1040P and attach Form MO-PTS, with copies of tax receipts and Form MO-CRP(s).
- ☐ Make certain the return is signed (both spouses must sign a combined return).
- ☐ If the taxpayer itemized deductions on his/her Federal return, he/she must attach a copy of Pages 1 and 2 of his/her Federal Form 1040 and Federal Schedule A. Also attach a copy of his/her Federal return (Pages 1 and 2) if Form MO-1040, Line 6 includes loss(es) of \$1,000 or more, he/she claimed a pension exemption, a low income housing credit, a low income housing credit recapture, a dependent deduction is claimed for a dependent age 65 or older, other federal taxes, are claimed or a Form MO-NRI is filed.
- ☐ Attach a check or money order if the balance due on Form MO-1040, Line 48 is \$1 or more. The taxpayer must sign his/her check and write his/her social security number on the check.
- ☐ Instruct the taxpayer where to mail the return and attachments.



# 2005 Missouri Income Taxes



***File Electronically!!***  
**E-file your state and federal return!**  
**It's inexpensive, accurate, and fast!**

Visit our web site for more information and links to file.

**[www.dor.mo.gov/tax](http://www.dor.mo.gov/tax)**

Not filing electronically? Visit our “***Form Selector***”  
online to determine the easiest form for  
you. Then use our  
***Fill-in Forms that Calculate!***



## **You don't need a paper return if you:**

- Received a book
- E-file
- Visit us online
- Use software, or
- Take your taxes to a preparer.



Didn't receive a tax book and want a paper return?

**Choose the *easiest* form!**

**Only 3% of tax filers NEED the**  
**Form MO-1040—Long Form.**